



STATE OF WASHINGTON
OFFICE OF FINANCIAL MANAGEMENT

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March 26, 2003

The Honorable Gary Locke, Governor
Honorable Members of the Washington State Legislature

Mr. John Fisher, Director
National External Audit Review Center
U.S. Department of Health and Human Services

We are pleased to submit the sixteenth single audit and related reporting package for the state of Washington covering the Fiscal Year ended June 30, 2002. This audit and related report package complies with the state's audit requirements, including those placed upon the state as a condition of its spending over \$ 9.2 billion in federal awards. The audit meets the requirements of the Revised Code of Washington (RCW) 43.09.310 and Title 31, Chapter 75, United States Code, as amended by the Single Audit Act Amendments of 1996, and Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, issued by the U.S. Office of Management and Budget.

This document contains the following reports and schedules:

- Independent Auditor's Report on the Basic Financial Statements
- The state's Basic Financial Statements with Related Notes
- Independent Auditor's Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
- Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with Circular A-133.
- Schedule of Findings and Questioned Costs
- Schedule of Expenditures of Federal Awards with Related Notes (Includes Supplementary Schedules)
- 2002 Corrective Action Plan
- Summary Schedule of Prior Audit Findings

This document is substantially larger than previous annual reports. The Schedule of Expenditures of Federal Awards has been lengthened by seventy-one pages. This is due to the new requirement to report award document numbers in lieu of absent CFDA numbers. Our state continues to have problems with federal awarding agencies, and in particular pass-through agencies, failing to disclose appropriate CFDA numbers for awards to agencies and institutions of the state.

The state's Basic Financial Statements are reproduced in this report, but the complete Comprehensive Annual Financial Report is available on-line at:

<http://www.ofm.wa.gov/cafr/2002/cafr02toc.htm>

We express our appreciation to the Washington Office of the State Auditor, U.S. Department of Health and Human Services and the other state and federal agencies for their assistance in resolving single audit issues. We are pleased to deliver the 2002 Audit and related reporting package and look forward to 2003.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Marty Brown". The signature is written in a cursive, flowing style.

Marty Brown
Director